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STEM TO STERN

The Monthly Newsletter of the
North Carolina State Ports Authority

Change at the helm - course remains steady

While the past few weeks have been filled with change, the leadership of the North Carolina State Ports Authority is determined to stay on the course set over the past few years.

A special report issued last month by the State Auditor's Office identified problems in the Ports Authority's travel and expense accounting. Based on those findings, the Board of Directors took the following steps to address the problems and ensure that they do not happen again:

- All Ports Authority credit cards have been recalled, pending review and approval by the Board of a new, written credit card use policy.

- The policy on travel is being revised and updated.

- The Board is reviewing a draft policy on acceptance of gifts and gratuity with guidance from the North Carolina Ethics Board.

- Finally, the Board determined that the Authority must have new leadership, and asked Chief Executive Officer Erik Stromberg for his resignation at its regular meeting in Charlotte March 30. He submitted it effective the close of business April 1.

Continued on page 6

Wilmington's New Container Crane

Southern Skyline Gets the Tropical Look

The Port of Wilmington's skyline has a new high point with the arrival of a container crane by barge from the Port of Kingston, Jamaica. The Caribbean blue crane is the tallest on the docks at the Port - 270 feet, boom up - and has the longest out-reach of any of the Port's container cranes, 135 feet. The \$2.4 million, 50-foot gauge crane, which is expected in service by late May, is one of the Port improvements related to the Wilmington Harbor Deepening Project, which brought 42 feet of water to the docks in January. The other container cranes will be painted in the new color scheme as part of regular maintenance.



Photo by Susan Pridgen

APRIL 2004

From the
Chairman
Page 2

Choppers
to Egypt
Page 3

Employee
Recognition
Page 8

Maritime
Festival
Page 10

Pride in what we've done ... work yet to do

I have served as chairman of the North Carolina State Ports Authority Board for almost five years, and I am immensely proud of the achievements by the Authority during this time. Most importantly, I am proud of the nearly 300 people who work for the Authority – on the docks, in the warehouses, in police vehicles; in Morehead City, Wilmington, Charlotte and Greensboro – who care deeply about their day-to-day jobs, their colleagues, and the Authority.

The work we faced as a result of the recent State Auditor's report has not been pleasant, but it had to be done, and it is not finished. As a Board, we must strengthen communications both amongst ourselves and with our management team. We all must demonstrate more clearly than ever that the Authority continues to deserve the confidence of the public. And we absolutely must continue the huge strides forward we have made over the past decade – improvements and innovations that make our Ports competitive and improve the economic outlook for the benefit of the entire state.

While we certainly regret the human errors that led to the recent events, the Ports Authority will indeed be stronger as a result. I apologize to the people of our great state, and the employees of our Ports Authority, for any misjudgments on my part. I remain proud of my work on the Board and of the entire Authority, and believe that we are already on the way to bigger and better things.

The North Carolina State Ports Authority is audited annually by the Office of the State Auditor and has always received a "clean audit" opinion in regard to the Authority's internal control structure. However, when alerted by the Office of the State Auditor to allegations of potential abuses of State funds and property, the Ports Authority strengthened existing policies and pro-

cedures, and also instituted formal publication of policies and procedures rather than more informal briefings.

Existing policies that have been formalized or strengthened include prohibiting use of Ports Authority credit cards for personal charges and making employees responsible for credit card charges submitted without supporting receipts.

All of the instances cited had been detected by the Authority's own internal controls and funds repaid before the Auditor's report. Existing procedures for approval and justifications of business trips have been clarified and restated.

Unlike other State agencies, the Ports Authority receives no tax dollars to support its operations, but must generate, as a business would, revenues from its operations to cover expenses. While remaining vigilant in assuring proper use of its resources, the Authority's active solicitation of port business requires marketing initiatives more comparable to the private sector than the public sector. We appreciate the assistance of the State Auditor's of-

fice through the identification of areas of concern and believe that as a result of this process, the Authority's policies and procedures have been clarified and strengthened to the benefit of the Authority and the satisfaction of the State Auditor.

Finally, with great hope for the future but continuing pride in past accomplishments, I wish to thank Erik Stromberg for his help in creating this organization that is poised for great success in the next six to 12 months, and beyond. I wish Erik every success in the future.



Dick Futrell
Chairman, NCSPA Board

We absolutely must continue the huge strides forward we have made over the past decade – improvements and innovations that make our Ports competitive and improve the economic outlook for the benefit of the entire state.

Egyptian choppers sail from Morehead



Photo courtesy Marshall Henry/www.cshenry.com

A crane at the Port of Morehead City lifts one of six helicopters headed for Egypt onto Waterman Steamship's *Atlantic Forest* in March, as two of its shrink-wrapped sister ships wait in the background. The six aircraft, which the Egyptian government purchased new from Boeing, were sent back to be refurbished at a Boeing plant near Philadelphia. After their reconditioning, they were flown to the port for their sea voyage back to Alexandria, Egypt, which took a little more than two weeks.

Morehead City employees recognized for three years of safe operations

An awards luncheon April 13 for all employees at the Port of Morehead City marked the completion of three years of safe operations. That day was the 1,101st consecutive day without a lost-time accident at the Port.

Doug Campen, director of safety and security presented each of the employees a certificate to recognize the essential contribution of each to the safety record, every day.

"This is a big accomplishment and I felt that each employee deserved to be recognized for their

hard work and commitment to the ports authority for a job well done," Mr. Campen said.

The Crane Department leads in the safety derby, with 4,485 days - that's more than 12 years!

Other departments are doing well, too:

- Administration - 2,770 days
- Police & Security - 2,359
- General Cargo - 1,557
- Bulk Handling - 1,219
- Maintenance 1,101

STEM TO STERN

NEWS FROM THE PORTS

STEM TO STERN

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Carolina State Ports Authority

APRIL
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Photo by Rex Edwards

Pallets (front) and bins just behind containing natural rubber are unloaded from the **PACC Antares** at the Port of Morehead City. The March port call brought the first shipment for Cooper Tire & Rubber Company. PACC is the largest carrier of natural rubber into the United States, and the Port of Morehead City is working with the line to increase the Port's importance in the rubber import trade.



Photo by Susan Clizbe

N.C. State Ports Authority Board Vice-Chair Louise McColl joins N.C. Secretary of Transportation Lyndo Tippet and Lanny Wilson, vice chair of the N.C. Turnpike Authority, during a meeting of the Turnpike Authority at the Maritime Building in Wilmington. The Turnpike Authority is considering a toll bridge over the Cape Fear River just south of the Port of Wilmington as one of its first three projects.

Employee issues get attention from senior leadership

by Rick Koch
Human Resources Director

Last December, N.C. State Ports Authority Board Chairman Dick Futrell and then-CEO Erik Stromberg met with employees at the Ports of Morehead City and Wilmington to discuss issues of concern to both management and employees. Many employees attended one of two sessions in Morehead City and four in Wilmington, and provided a great deal of valuable input.

About half the suggestions, comments or concerns were human-resources specific and the other half related to operations and engineering matters.

I'd like to provide a brief summary of what's happened since the meetings.

Human Resources

To address specific concerns raised, the Human Resources team has made a number of changes. Among them are the re-implementation of the employee suggestion box system (*see related article on Page 9*) and a reorganization of the HR team and duties. HR members will all soon all have cell phones for easier access.

HR has also increased communication on new hires and promotions, tightened administrative processes to ensure confidentiality, begun Performance Appraisal Development training for new employees, and is rewriting the Policy Manual for issue early in the new fiscal year.

Wilmington

To address HR issues, the decision has been made to have a permanent HR representative on the Port of Wilmington. When the rest of Operations and HR move back to the Maritime Building, Lori McKoy will remain in the POW Building to provide easier access to HR for workers on the Port.

The Wilmington Port Employee Committee was established to help address the employee organization-wide concerns and make recommendations to senior management. The members of the employee committee were selected to provide

cross-functional representation to address concerns raised by Wilmington employees.

Recently, employees in Wilmington received a survey from the WPEC, with questions taken from the notes recorded during the four December meetings; neither the WPEC nor senior management developed the questions asked. The WPEC seeks your input and assistance to address, as appropriate, concerns and comments raised. We anticipate this committee will make its final recommendations in a few weeks.

Morehead City

Organization changes have taken place to increase promotion and development opportunities. These include the addition of two supervisor positions and a new job description of Cargo Specialist in the general terminal. This reorganization is designed to increase promotional opportunities, improve job equity within the Ports Authority, increase operations flexibility, improve communications, and improve employee morale.

Another area of focus has been to expedite renovation work on the Port Operations Center Building to repair damage from Hurricane Isabel. POC employees should be able to return to an improved office environment by mid-May. Port of Morehead City managers are working with the Engineering Department to increase the presence and communications between Engineering and MHC Operations.

Finally, the MHC Maintenance team has done a fantastic job addressing cosmetic and maintenance needs inside the Maritime Building, which sorely needed upgrading and sprucing up.

You were heard!

The bottom line of this whole exercise is that employees' thoughts and comments were heard. Your NCSPA management, with employee participation, is attempting to address many of these areas and help our work environment meet the needs of both our customers and employees. Thanks to all employees for your input and help in identifying ways to accomplish this.

Together we can!

Eagar ready to keep Ports' progress rolling

Continued from page 1

Chief Operations Officer Tom Eagar will serve as interim CEO. He has been with the Authority since August 2000 and was named COO in July 2003. Mr. Eagar previously worked for Chiquita Brands North America supervising North American ports and intermodal operations. His 30-year career in maritime transportation also includes senior management positions with Florida-based Crowley American Transport Inc. and Sea-Land Service Inc.

"I am proud to have been part of the great progress made by the Ports Authority in the past few years and I appreciate the confidence placed in me by the Board of Directors today," Mr. Eagar said when his appointment was announced. "Our main focus continues to be the many people who work hard every day in support of the ambitious goals we have set for our business – and especially to ensure that work continues, along with progress we have already achieved."



Tom Eagar

The chairman appointed a search committee to find a new CEO. Board member Alex G. MacFadyen Jr. of Raleigh will chair the member committee, which held its first meeting April 12 in Wilmington. Louise McColl, Brynn Thomas and Luther Hodges, Jr. also serve on the committee. The committee's goal is to have a new CEO in place by mid-August, the members reported to the

Board, and recruiting has already begun.

"While the circumstances of this week are not happy ones, we have no intention of letting these circumstances keep us from success," Mr. Eagar said. "I intend to do everything in my power to continue moving forward in a positive manner, and I will rely upon all of my coworkers in the Ports Authority to help me in this effort."

N.C. State Ports Authority Board Meeting Summary

by Karen Fox
Public Affairs Director

The N.C. State Ports Authority Board of Directors has met twice in the past month: March 30 in Charlotte and April 12 in Wilmington.

At the March 30 meeting, the Board voted to add Bank of America to the Authority's secured equipment borrowing resolution. The addition of BOA as a potential lender will further improve the Authority's ability to secure the most competitive lending terms available.

The Board approved an amendment to the design contract for renovations to the Maritime Building in Wilmington, a change order to the contract for repair work on the sewage lift station at the Southport Marina, and a change order to the contract for modifications to berths related to the new 42-foot channel at the Port of Wilmington.

The Board adopted the 2004 Government Relations Agenda for the Authority. The agenda addresses the areas of state and federal funding, economic development, transportation and trade.

Three new Board committees were appointed. The Audit Committee is chaired by Greg Plemmons, with Doug Fox, Brynn Thomas and John Curry; the Governance Committee is chaired by Luther Hodges Jr., with Louise McColl, Derryl Garner, and Alex MacFadyen; and a CEO search committee is chaired by Mr. MacFadyen, with Ms. McColl, Mr. Thomas and Mr. Hodges.

At the April 12 meeting in Wilmington, the Board approved an amendment to the Authority's contract with International Paper, renewing the agreement for the Authority to stuff containers for IP.

The Board scheduled its next meetings for May 19 at the Port of Wilmington and June 8 at the Port of Morehead City.

Police Lt. Wes Collins retires from Morehead City

by Susan Pridgen
Public Affairs

After 13 years with the N.C. State Ports Authority Police Department, Police Lt. Wes Collins has decided to retire effective June 1. Employees gave a heartfelt farewell to Wes during a special ceremony April 13.

"When everything goes right, police officers are hardly noticed," said Ports Authority Director of Safety and Security Doug Campen. "We are here today to give Wes Collins the kind of recognition he so well deserves."

Mr. Campen presented Lt. Collins with several awards, including a framed Special Olympics t-shirt. Collins was instrumental in raising money for the North Carolina Law Enforcement Torch Run.

"This demonstrates the type of guy he is," Mr. Campen said. "What we see is a man who went above and beyond what he needed to do and who spent the extra hours required to complete a project. Wes gave it his all."

Lt. Collins was promoted to lieutenant in September 2001 and has been involved in many functions and activities at the ports. Besides overseeing the police department's budget, preparing reports, conducting investigations and working closely with the U.S. Department of

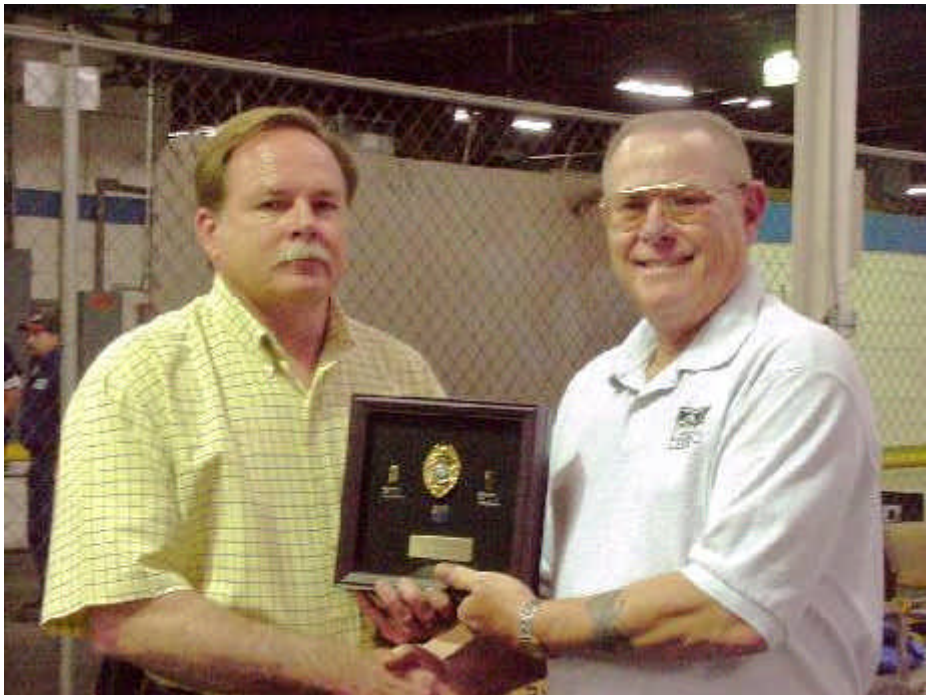


Photo by Susan Pridgen

Doug Campen thanks Lt. Wes Collins for his years of service to the Port Police, presenting him one of several plaques and mementos he received at his retirement ceremony in Morehead City.

Homeland Security, he also organized and gave many port tours and was very involved in the Port of Morehead City's Open House each fall.

"Everyone at the Ports Authority and especially the members of the Police Department will miss him," Mr. Campen said. "I personally want to thank Wes for all he has done to help make the Ports Authority a great place to work and I want him to know that he was a great asset to this entire organization."

Maritime Festival Visitor

The M/V Cape Lambert will return to the Port of Wilmington's Maritime Festival in May. The Cape Lambert, which is docked near the Cape Fear River Bridge in downtown Wilmington with sister ship the Cape Lobos, is part of the U.S. Maritime Administration's Ready Reserve Fleet. See Page 10 for more information about the Maritime Festival.



Photo courtesy Marvin Gordon/U.S. Maritime Administration

SLT at Work: Employee Recognition Committee

by Rick Koch
Human Resources Director

The N.C. State Ports Authority's Strategic Leadership Team last year determined that the Authority should have a formal and lasting process to help show appreciation to employees for their significant contributions. Tom Eagar, Bill Bennett and Rick Koch took on the task of getting this effort off the ground and, after they had laid the foundation work, gained conceptual buy-in from the SLT.

Following input from several employee focus groups, the team chartered a subcommittee to design a new employee recognition program. This subcommittee decided to enhance the process by turning the design and administration task over to a cross-functional committee of Ports Authority employees.

The idea behind the employee committee is to make this an employee-sponsored and support-

ed program - not a management or human resources program.

The Employee Recognition Committee includes 11 employees from throughout the Ports Authority, both geographically and functionally. Members will serve on the committee for 18 months.

Members of the initial committee are Jennifer Goley, Anthony Nelson, Durwood Garner, Lindberg Frazier, Don Collins, Ann Reynolds, Susan Rimel, Eddie Inman, Anthony Hassell, Layton Bedsole and Tom Guthrie. I work with them as nonvoting facilitator.

The committee has met several times since its inception in March. Beginning with only the general goal of establishing a recognition program, committee members have reached some

significant milestones already. They have:

- written a Mission Statement
- established team ground rules
- defined roles and responsibilities
- compiled a list of deliverables to be achieved
- decided on meeting logistics
- determined how their decisions will be reached
- decided to title the recognition program the *Lighthouse Awards*, with three levels of recognition to fall within the program.

The committee's next steps are to define the criteria for employees to be eligible for each of the awards and work through other aspects of the administration and rollout to the entire Ports team.

The ERC members will determine on a quarterly basis what the disposition of each recognition nomination will be as well as communication of the results and sharing in the celebrations. As more details are finalized, the ERC will contribute future *Stem to Stern* articles on progress of this effort.

Target implement is set for the early part of the new fiscal year. Members of the ERC and the SLT are excited to see this effort taking root so we can all have an opportunity to formally recognize our coworkers' accomplishments.



Employee Recognition Committee

Mission Statement

As an organization, we embrace recognition in our corporate culture. Using employee participation, ownership, continuous improvement and motivation drivers, we ensure that efforts are recognized and rewarded in an appropriate and timely manner in order to achieve our strategic goals.

Committee Members

- | | |
|--------------------|-------------------|
| ■ Layton Bedsole | ■ Anthony Hassell |
| ■ Don Collins | ■ Eddie Inman |
| ■ Lindberg Frazier | ■ Anthony Nelson |
| ■ Durwood Garner | ■ Ann Reynolds |
| ■ Jennifer Goley | ■ Susan Rimel |
| ■ Tom Guthrie | |

Suggestion boxes return to Ports facilities

In response to suggestions made during employee meetings this winter, (see related article on Page 5) the Senior Management Team of the Ports Authority has placed new emphasis and importance on the employee suggestion program. Seven suggestion boxes can be found at locations around the Port of Wilmington and the Port of Morehead City, or suggestions may be submitted by mail or email.

The suggestion boxes are checked weekly and all suggestions go first to Human Resources Director Rick Koch. Suggestions may then be forwarded to the functional area most appropriate to address each suggestion and whether it is feasible to implement. Periodic updates will be provided in All Hands meetings.

Suggesters are encouraged to include their names and contact information so follow-up questions or information can be sought as needed, but names are not required. Those which include contact information will

receive a written or email confirmation of receipt as well as status updates. The names of all submitters will be kept confidential.

The point of this program is for all employees to take a role in issue resolution. Please do not simply drop a note indicating a problem exists. Submitters should include recommended options for a solution to the problem presented.

Wilmington Suggestion Boxes

- Containers Parking Lot
- Heavy Equipment Garage
- M-4 / Maintenance Garage
- Maritime Building Parking Lot
- North Gate (near scale house)
- POW Building Parking Lot
- T-7 Break Room

Morehead City Suggestion Boxes

- Cargo Handling Break Room
- Maritime Bldg. (downstairs stairwell)
- POC Building (between crane & maintenance shop)

Address email suggestions to
suggestions@ncports.com or mail them to
Suggestion Box

N.C. State Ports Authority,
PO Box 9002

Wilmington, NC 28402

New Hires



Sam Chevalier
Equipment Maintenance
Supervisor



Neil Gragg
Inventory Supply
Supervisor

David Maurer - Facilities Mechanic II
Fred McLean - Maintenance Mechanic III
Richard Meeks - Facilities Maintenance Welder

April Birthdays

Susan Pridgen	Robert Jones
Ronnie Parrott	James Whitfield
Anthony Heyer	Kim Newton
Cleve Bragg	Leon Fulcher
Inez Pridgen	James Shaw
Matia Michaelson	Macon Gardner
Philip Manning	Anthony Hurd
Herman McCloud	Ralph Walker
Tommie Horrell	Mark Neal
Mike Howard	Michelle Bennett
Paul Avino	Kim Mattox
Vicky Tharrington	David Knox
Bernard Brown	Harold Johnson
James Hatchell	
Nesby Stanley	
Willie Green	



Congratulations!

- to Peggy Jackson on receiving her Accredited Practicing Purchaser Certification. She has completed Step 1 of World Class Purchasing Management.
- to Todd Melvin on the birth of his daughter, Emma, April 2.
- to Jackie Russ, proud grandmother of Adashia, born March 18.

Get ready for Maritime Festival 2004

Maritime Festival 2004 is set for Sunday, May 23, from 11 a.m. until 5 p.m. Activities include exhibits from Ports partners and community groups, as well as live demonstrations by military units, tours of visiting vessels - including some from the U.S. Coast Guard and *Point Lambert*, the U.S. Maritime Administration's Ready Reserve Force ship.



Photo by Susan Pridgen

Visitors to the Port of Wilmington's 2003 Maritime Festival line up to board the riverboat *Henrietta* for a river tour.

Other highlights include Port tours, stage performances by pirate re-enactors and live music by Wilmington group Heart and Soul and the 2nd Marine Division Jazz Ensemble.

Activities for children include a rock-climbing wall, moon walk and entertainers, and a variety of food vendors will satisfy every appetite. The center of the event is a special Merchant Marine

Memorial Ceremony at 12:30 p.m. Merchant mariners from around the area will participate.

Because of popular demand over the years, the 2004 Maritime Festival will include two cruises on the *Henrietta III*. Watch the Wilmington Star-News for information on how to order tickets. For more information about the Maritime Festival, contact Susan Pridgen in Public Affairs, (910) 343-6492.

Morehead City employees rake in \$\$ for March of Dimes

by Barbara Cooper
Human Resources

A team of employees and their family members at the Port of Morehead City raised \$2,180 for the March of Dimes this spring. Fundraising activities included bake sales, a chili sale, a hot dog sale and a raffle.

On April 3, the grand finale saw 13 walkers strutting their stuff on behalf of the Port, placing third overall in the walk.

Walkers included Rhonda Wright, Judy Galyon, Teresa Spitler, Lindberg Frazier, Elizabeth Rose, Regina McGee, Matia Michaelson, Charlene Pennuell, Trey Pennuell, Joy Pennuell, Durwood Garner, Hannah Garner and Ellen Piver.

Please take time to congratulate our team captains, Rhonda Wright and Durwood Garner, for their hard work and commitment. Many thanks go out to all who showed support by buying tickets, baked goods, chili and hot dogs.

Play Ball!

The N.C. State Ports Authority annual softball game pitting the Port of Morehead City's best sluggers against those from the Port of Wilmington is set for 10 a.m. May 8. The battleground is the ball field at Temple Baptist Church off 17th Street Extension in Wilmington.

Barbecue lunch from Sticky Fingers will be served. Come out and support your team!